



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

April 4, 2014

TO THE USERS OF THIS REPORT:

The Louisiana Legislative Auditor (LLA) is reissuing the audit report of the **Housing Authority of St. John the Baptist Parish** for the fiscal year ended September 30, 2012. The audit was performed by Yeager & Boyd, LLC.

The original report, which was issued by LLA on July 24, 2013, had a disclaimer of opinion because the housing authority was unable to support opening balances for cash, restricted cash, and capital assets. Due to the materiality of the balances that could not be supported, Yeager & Boyd was unable to render an opinion on the housing authority's financial statements. The housing authority's audit reports for fiscal years ended September 30, 2011 and 2010 also had disclaimers of opinion.

After LLA's issuance of the original report, a second report, with an unqualified opinion, was submitted by Yeager & Boyd for the fiscal year ended September 30, 2012. According to Yeager & Boyd, the housing authority was able to provide support for the cash, restricted cash, and capital asset balances, and the disclaimer of opinion was changed to an unqualified opinion.

Both reports are available on LLA's website.

LLA feels this matter should be disclosed for the information of the users of the report.

If there are any questions, please call Joy Irwin at (225) 339-3975.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 09 2014

REISSUE

**THE HOUSING AUTHORITY
OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED SEPTEMBER 30, 2012**

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

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Board of Commissioners
The Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the Housing Authority of St. John the Baptist Parish as of and for the year ended September 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2012, and changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

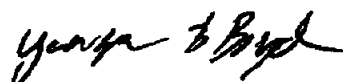
We previously issued our Independent Auditors' Report on June 21, 2013, which disclaimed an opinion on the Authority's financial statements because the Authority was unable to support opening balances for Cash, Restricted Cash and Capital Assets. Therefore, we were unable to determine the material accuracy of the respective ending balances. Additionally, we were unable to determine the material accuracy of the respective ending balances by other auditing procedures. Subsequent to the date of the previously issued Independent Auditors' Report, the Authority has sufficiently supported opening balances for Cash, Restricted Cash and Capital Assets. Therefore, we were able to determine the material accuracy of the respective ending balances. Additionally, during the audit process of the subsequently provided support for opening Cash and Restricted Cash balances, a restatement of Accounts Receivable – HUD and Net Assets balances was made and is described in Note O to these financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2013 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for Department of Housing and Urban Development information and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the basic financial statements. The Financial Data Schedule, supplementary data and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Birmingham, Alabama
October 8, 2013


Yeager & Boyd

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
The Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

We were engaged to audit the financial statements of the Authority as of and for the year ended September 30, 2012, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2012-01 that we consider to be a significant deficiency in internal control over financial reporting. *A significant deficiency* is a deficiency in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2012-01 through 2012-12.

The Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Authority's responses and, accordingly we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Birmingham, Alabama
June 21, 2013

Yeager & Boyd

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
The Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

Compliance

We have audited the Authority's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2012. The Authority's major programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

As described in Findings 2012-04, 2012-07 and 2012-11 in the accompanying Schedule of Findings and Questioned Costs, the Authority did not comply with the Eligibility and Special Test and Provisions (Environmental Review) compliance requirements that are applicable to its Public Housing, Section 8 Housing Choice Voucher, Capital Fund and Capital Fund Recovery Act Funded programs. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2012-02, 2012-03, 2012-05, 2012-06, 2012-08 through 2012-10 and 2012-12.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2012-02 through 2012-07 and 2012-09 through 2012-12 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2012-08 to be a significant deficiency.

The Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Birmingham, Alabama
June 21, 2013

Yeager & Baird

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the fiscal year ended September 30, 2012. The operation of The Housing Authority of St. John the Baptist Parish is comprised of a Low Income Public Housing Program, a Section 8 Housing Choice Vouchers Program, a Disaster Housing Assistance Program, a Capital Fund Program and a Capital Fund Recovery Act Funded Program. The Public Housing Program is funded with rental revenue, miscellaneous tenant charges and Department of Housing and Urban Development (HUD) grants. The Section 8 Housing Choice Voucher, Disaster Housing Assistance and Capital Fund Programs are funded entirely by grants from HUD.

FINANCIAL HIGHLIGHTS

1. Total assets exceed total liabilities by	\$5,448,351
2. Unrestricted net assets equal	406,716
3. Total revenues increased by	1,199,457

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information using the Enterprise Fund accounting methods:

- . Statement of Net Assets – includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating. This statement was formerly known as a Balance Sheet.
- . Statement of Revenues, Expenses and Changes in Net Assets - provides information as to the increase or decrease of current year revenues over expenses. This statement was formerly known as an Income Statement.
- . Statement of Cash Flows – provides information about net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities and from investing activities.

FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS

	2012	2011 - Restated	Variance
Assets:			
Current Assets	\$ 949,977	\$ 690,898	\$ 259,079
Restricted Assets	138,819	-	\$ 138,819
Capital Assets	4,902,816	4,810,224	92,592
Total Assets	\$ 5,991,612	\$ 5,501,122	\$ 490,490
Liabilities:			
Current Liabilities	\$ 528,822	\$ 644,983	\$ (116,161)
Non-current Liabilities	14,439	58,047	(43,608)
Total Liabilities	\$ 543,261	\$ 703,030	\$ (159,769)
Net Assets:			
Invested in Capital Assets	\$ 4,902,816	\$ 4,461,016	\$ 441,800
Restricted Net Assets	138,819	-	138,819
Unrestricted Net Assets	406,716	337,076	69,640
Total Net Assets	\$ 5,448,351	\$ 4,798,092	\$ 650,259

As illustrated, in the Statement of Net Assets, the overall net assets of the Authority increased by \$650,259. Current assets increased due to an increase in accounts receivable due from HUD for operating grants. Restricted assets and net assets increased due to an increase in cash restricted for housing assistance payments. Capital additions exceeding depreciation expense accounted for the increase in capital assets. Current liabilities decreased, primarily due to a reduction in accrued utility liabilities and accounts payable due to HUD.

CHANGE IN UNRESTRICTED NET ASSETS

Unrestricted Net Assets, October 1, 2011	\$ 337,076
Results of Operations	153,378
Transfer to Restricted Net Assets	(138,819)
Law Suit Settlement Liability	(349,208)
Investment Income	1,047
Depreciation Expense	403,242
Unrestricted Net Assets, September 30, 2012	<u>\$ 406,716</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well-being.

FINANCIAL ANALYSIS (continued)**STATEMENT OF REVENUES AND EXPENSES**

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 411,572	\$ 424,597	\$ (13,025)
Operating Grants	4,040,442	3,222,619	817,823
Capital Grants	495,834	216,955	278,879
Interest Income	1,047	1,947	(900)
Other Income	1,464,956	1,348,276	116,680
Total Revenues	\$ 6,413,851	\$ 5,214,394	\$ 1,199,457
Expenses:			
Administrative Expenses	\$ 593,944	\$ 424,612	\$ 169,332
Utilities	529,370	505,692	23,678
Maintenance & Operations	352,768	675,471	(322,703)
General Expense	469,690	567,643	(97,953)
HAP Payments	3,414,578	3,623,241	(208,663)
Depreciation	403,242	374,574	28,668
Total Expenses	\$ 5,763,592	\$ 6,171,233	\$ (407,641)
Excess (Deficiency) Revenues Over Expenses	\$ 650,259	\$ (956,839)	\$ 1,607,098

REVENUES

In reviewing the Statement of Revenues and Expenses, you will find that 71% of the Authority's revenue is derived from grants from the Department of Housing and Urban Development, 6% of the Authority's revenue is from dwelling rent, and 23% from investment income and other income.

EXPENSES

In reviewing the Statement of Revenues and Expenses, you will find that 19% of the Authority's expenses are for general and administrative costs, 15% for maintenance and utilities, 7% for depreciation, and 59% for HAP payments.

Excess (Deficiency) Revenues Over Expenses

There was an increase in excess revenues over expenses. The increase was due to an increase in revenues and a decrease in expenses. Operating grants increased due to an increase in Public Housing's operating subsidy. Capital grant revenue increased due to an increase in modernization and development activity. Other income primarily increased due to an increase in income received from other housing authorities for port-ins. Administrative expenses increased due mainly to increased consulting and legal fees incurred. Maintenance costs decreased due to rehabilitation projects being completed in the prior year as well as cost saving efforts during the fiscal year. General expenses decreased due to a reduction of bad debt write-offs. Housing Assistance Payments decreased due to decreased leasing.

FINANCIAL ANALYSIS (continued)**CAPITAL ASSETS**

As of year end, the Authority had \$4,902,816 invested in a variety of capital assets as reflected in the following schedule, which represents a 2% increase (additions, deductions and depreciation) from the end of last year.

	<u>2012</u>	<u>2011</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 171,875	\$ 171,875	\$ -	0%
Buildings & Improvements	14,391,185	13,976,704	414,481	3%
Furniture & Equipment	173,484	168,289	5,195	3%
Construction in Process	1,939,293	1,863,135	76,158	4%
Accumulated Depreciation	<u>(11,773,021)</u>	<u>(11,369,779)</u>	<u>(403,242)</u>	<u>4%</u>
Net Capital Assets	<u>\$ 4,902,816</u>	<u>\$ 4,810,224</u>	<u>\$ 92,592</u>	<u>2%</u>

The following reconciliation summarizes the change in Capital Assets:

Beginning Balance, October 1, 2011	\$ 4,810,224
Additions:	
Capital Fund Program - Improvements	495,834
Depreciation Expense	<u>(403,242)</u>
Ending Balance, September 30, 2012	<u>\$ 4,902,816</u>

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS

Several factors that may affect the financial position of the Authority in the subsequent fiscal year are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

CONTACT

This financial report is designed to provide our residents, the citizens of LaPlace, Louisiana, federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Trina Henderson, Executive Director, at 152 Joe Parquet Circle, LaPlace, Louisiana 70068.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

ASSETS

	<u>Enterprise Fund</u>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 527,392
Accounts Receivable - HUD	411,296
Tenants Accounts Receivable	6,995
(Allowance for Doubtful Accounts)	(1,539)
Inventories	5,833
Total Current Assets	<u>949,977</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>138,819</u>
Total Restricted Assets	<u>138,819</u>
<u>Capital Assets</u>	
Land	171,875
Buildings	14,391,185
Furniture & Equipment	173,484
Construction in Process	<u>1,939,293</u>
	16,675,837
(Less): Accumulated Depreciation	<u>(11,773,021)</u>
Net Capital Assets	<u>4,902,816</u>
Total Assets	<u>\$ 5,991,612</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

LIABILITIES AND NET ASSETS

	<u>Enterprise Fund</u>
<u>Current Liabilities</u>	
Accounts Payable	\$ 85,131
Accounts Payable - Capital	349,208
Accrued Wages and Payroll Taxes	28,408
Accrued Compensated Absences	14,438
Resident Security Deposits	17,371
Accrued Current Liabilities - Other	34,266
Total Current Liabilities	<u>528,822</u>
<u>Long-Term Liabilities</u>	
Accrued Compensated Absences	<u>14,439</u>
Total Long-Term Liabilities	<u>14,439</u>
Total Liabilities	<u>543,261</u>
<u>Net Assets</u>	
Investment in Capital Assets	4,902,816
Restricted Net Assets	138,819
Unrestricted Net Assets	<u>406,716</u>
Total Net Assets	<u>5,448,351</u>
Total Liabilities and Net Assets	<u>\$ 5,991,612</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 411,572
Operating Grants	4,040,442
Other Income	1,464,956
Total Operating Revenues	<u>5,916,970</u>
<u>Operating Expenses</u>	
Administrative	593,944
Utilities	529,370
Maintenance and Operations	352,768
General Expense	469,690
Housing Assistance Payments	3,414,578
Depreciation	403,242
Total Operating Expenses	<u>5,763,592</u>
Operating Income (Loss)	<u>153,378</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	1,047
Total Non-Operating Rev/(Exp)	<u>1,047</u>
Increase (Decrease) before Capital Contributions	<u>154,425</u>
Capital Contributions	<u>495,834</u>
Increase (Decrease) in Net Assets	650,259
Net Assets, Beginning	4,887,891
Prior Period Adjustment	(89,799)
Net Assets, Ending	<u>\$ 5,448,351</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 395,888
Cash Received from Operating Grants	3,612,453
Cash Received from Other Sources	1,463,959
Cash Payments for Salaries and Benefits	(563,964)
Cash Payments to Vendors and Landlords	(4,774,753)
Net Cash flows provided (used) by operating activities	<u>133,583</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Outlay	(495,834)
Capital Grants Received	440,264
Net cash flows provided (used) by capital and related financing activities	<u>(55,570)</u>
<u>Cash flows from investing activities:</u>	
Interest received from cash and cash equivalents	1,047
Net cash flows provided (used) by investing activities	<u>1,047</u>
Net Increase (decrease) in cash and cash equivalents	<u>79,060</u>
<u>Cash and cash equivalents, beginning of year:</u>	<u>587,151</u>
<u>Cash and cash equivalents, end of year:</u>	<u>\$ 666,211</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) operating activities:</u>	
Operating Income (Loss)	\$ 153,378
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	403,242
Bad Debts	27,073
Change in Tenants Accounts Receivable	(15,684)
Change in Accounts Receivable - HUD	(427,989)
Change in Inventories	(5,833)
Change in Prepaid Insurance	86,902
Change in Accounts Payable - Operating	24,116
Change in Accrued Expenses	(26,495)
Change in Other Current Liabilities	(84,130)
Change in Tenant Security Deposits	(997)
Net cash provided by (used in) operating activities	<u>\$ 133,583</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement of focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements.

FURTHER SIGNIFICANT ACCOUNTING POLICIES ARE:

Cash

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other Accounts Receivable consists of amounts due from HUD for operating grants.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income.

These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings and Improvements	40 years
Furniture and Equipment	3 - 7 years

Cost Allocation

The Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed or the allotment stipulated in contractual agreements.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The Mayor appoints the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has no component units. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

NOTE C - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk - The Housing Authority policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk - The Housing Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally-insured investments.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C - CASH AND INVESTMENT DEPOSITS - CONTINUED

The Housing Authority's cash and cash equivalents consist of cash held in three interest bearing checking accounts and one non-interest bearing checking account totaling \$666,011. The remaining \$200 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities in the Authority name which are held by the financial institution	<u>416,011</u>	<u>482,281</u>
	<u>\$ 666,011</u>	<u>\$ 732,281</u>

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the September 30, 2012 as follows:

<u>Type Commitment</u>	<u>Amount</u>
None of any significance	

NOTE E - RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

NOTE F - CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

The President's 2013 Budget includes funding reductions to HUD as a result of Sequestration. Therefore, the Authority anticipates a decrease of approximately 22% in funding for the Public Housing program, and 19% for the Section 8 Housing Choice Voucher Program.

NOTE G - SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE H – COMPENSATED ABSENCES

It is the Housing Authority's policy to permit employees, depending on tenure, to accumulate earned but unused vacation and sick leave. Upon separation from employment after one year of service, an employee is entitled to receive pay for accrued vacation up to a specified maximum. Leave accrued but not yet paid as of September 30, 2012 is shown as a liability allocated between current and noncurrent.

	Balance 10/1/2011	Increases	Decreases	Balance 9/30/2012	Due Within One Year
Accrued Compensated Absences	\$ 68,872	19,355	59,351	\$ 28,876	14,438
Less: Current portion	(10,825)			(14,438)	
Total Long Term Liabilities	<u>\$ 58,047</u>			<u>\$ 14,438</u>	<u>\$ -</u>

NOTE I – PENSION PLAN

The Housing Authority contributes to a defined contribution pension plan. All full time employees are eligible for the plan after completing 6 months employment with the Authority. The Authority contributes 7.5% of each employee's salary to the plan. Employer contributions to the plan for the year ended September 30, 2012 were \$10,336. Employee contributions are 5% of each employee's salary. Employees contributions to the plan for the year ended September 30, 2012 were \$6,890.

Assets in the plan are recorded at market value and are administered by a private corporation under contract with the Housing Authority. It is the opinion of the Authority's legal counsel that the Housing Authority has no liability for losses under the plans but does have the responsibility of due care that would be required of an ordinary prudent investor.

NOTE J – INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed. Balances due for such charges are reflected in the Inter-program Due to/Due from account balances. Inter-program balances at September 30, 2012 consisted of the following:

Housing Choice Vouchers	\$ 64,156
Disaster Housing Assistance Payments	(64,156)
Total	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows at fiscal year-end:

	<u>PUBLIC HOUSING</u>	<u>CAPITAL FUND</u>	<u>TOTAL</u>
Land	\$ 171,875	\$ -	\$ 171,875
Building and Improvements	14,391,185	-	\$ 14,391,185
Furniture, Fixtures and Equipment	173,484	-	\$ 173,484
Construction in Process	-	1,939,293	\$ 1,939,293
Less Accumulated Depreciation	<u>(11,773,021)</u>	<u>-</u>	<u>\$ (11,773,021)</u>
Total Property and Equipment	<u>\$ 2,963,523</u>	<u>\$ 1,939,293</u>	<u>\$ 4,902,816</u>

	<u>October 1, 2011 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2012 Balance</u>
Land	\$ 171,875	\$ -	\$ -	\$ 171,875
Construction in Process	<u>1,863,135</u>	<u>495,834</u>	<u>(419,676)</u>	<u>1,939,293</u>
Total Assets not being depreciated	2,035,010	495,834	(419,676)	2,111,168
Buildings and Improvements	13,976,704	-	414,481	14,391,185
Furniture and Equipment	<u>168,289</u>	<u>-</u>	<u>5,195</u>	<u>173,484</u>
Total Property and Equipment	16,180,003	495,834	-	16,675,837
Less Accumulated Depreciation				
Building and Improvements	(11,241,426)	(380,865)	-	(11,622,291)
Furniture and Equipment	<u>(128,353)</u>	<u>(22,377)</u>	<u>-</u>	<u>(150,730)</u>
Net Book Value	<u>\$ 4,810,224</u>	<u>\$ 92,592</u>	<u>\$ -</u>	<u>\$ 4,902,816</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant. Based on a consolidated review performed by HUD, the Housing Authority may be required to refund approximately \$1 million received through grants if they are unable to provide supporting documentation.

NOTE M – RESTRICTED CASH, INVESTMENTS AND RESTRICTED NET ASSETS

Excess Housing Assistance Payment (HAP) funds available to the Authority under the Section 8 Housing Choice Vouchers program are required by HUD to be restricted. These funds are to be used only for HAP expenditures for the program. These funds are also shown as Restricted Net Assets since there is no offsetting liability. Total restricted cash, investments and net assets were \$138,819 as of the end of the fiscal year.

NOTE N – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through June 21, 2013, the date the financial statements were issued.

NOTE O – PRIOR PERIOD ADJUSTMENT

During fiscal year 2010, the Authority received grant funds from HUD to fund the transition of certain Disaster Housing Assistance Program participants into its Section 8 Housing Choice Voucher Program. The Authority did not expend \$89,799 of these transitional grant funds. These funds were payable back to HUD as of the beginning of fiscal year 2012 and have not been paid back to HUD as of September 30, 2012. The Authority's beginning Accounts Receivable/(Payable) due from/(to) HUD, and the Authority's Net Asset balances have been restated as follows:

Accounts Receivable/(Payable) - HUD, as of September 30, 2011	\$ 17,536
Prior Period Adjustment	(89,799)
Restated Accounts Receivable/(Payable) - HUD, as of September 30, 2011	<u>\$ (72,263)</u>

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM
SEPTEMBER 30, 2012

<u>ASSETS</u>	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>CFP Stimulus Grant</u>	<u>Housing Choice Vouchers</u>	<u>Disaster Housing Assistance</u>	<u>Elimination</u>	<u>Total</u>
<u>Current Assets</u>							
Cash and Cash Equivalents	\$ 233,236	\$ -	\$ -	\$ 294,156	\$ -	\$ -	\$ 527,392
Accounts Receivable - HUD	436,939	-	-	-	64,156	(89,799)	411,296
Tenants Accounts Receivable	6,995	-	-	-	-	-	6,995
(Allowance for Doubtful Accounts)	(1,539)	-	-	-	-	-	(1,539)
Inventories	5,833	-	-	-	-	-	5,833
Interprogram Receivable	-	-	-	64,156	-	(64,156)	-
Total Current Assets	681,464	-	-	358,312	64,156	(153,955)	949,977
<u>Restricted Assets</u>							
Cash and Cash Equivalents	-	-	-	138,819	-	-	138,819
Total Restricted Assets	-	-	-	138,819	-	-	138,819
<u>Capital Assets</u>							
Land	171,875	-	-	-	-	-	171,875
Buildings	14,391,185	-	-	-	-	-	14,391,185
Furniture & Equipment	173,484	-	-	-	-	-	173,484
Construction in Process	-	1,939,293	-	-	-	-	1,939,293
	14,736,544	1,939,293	-	-	-	-	16,675,837
(Less): Accumulated Depreciation	(11,773,021)	-	-	-	-	-	(11,773,021)
Net Capital Assets	2,963,523	1,939,293	-	-	-	-	4,902,816
Total Assets	\$ 3,644,987	\$ 1,939,293	\$ -	\$ 497,131	\$ 64,156	\$ (153,955)	\$ 5,991,612

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM
SEPTEMBER 30, 2012**

LIABILITIES AND NET ASSETS

	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>CFP Stimulus Program</u>	<u>Housing Choice Vouchers</u>	<u>Disaster Housing Assistance</u>	<u>Elimination</u>	<u>Total</u>
<u>Current Liabilities</u>							
Accounts Payable	\$ 85,131	\$ -	\$ -	\$ 89,799	\$ -	\$ (89,799)	\$ 85,131
Accounts Payable - Capital	349,208	-	-	-	-	-	349,208
Accrued Wages and Payroll Taxes	25,621	-	-	2,787	-	-	28,408
Accrued Compensated Absences	13,489	-	-	949	-	-	14,438
Resident Security Deposits	17,371	-	-	-	-	-	17,371
Accrued Current Liabilities - Other	34,266	-	-	-	-	-	34,266
Interprogram Payable	-	-	-	-	64,156	(64,156)	-
Total Current Liabilities	<u>525,086</u>	<u>-</u>	<u>-</u>	<u>93,535</u>	<u>64,156</u>	<u>(153,955)</u>	<u>528,822</u>
<u>Long-Term Liabilities</u>							
Accrued Compensated Absences	13,489	-	-	950	-	-	14,439
Total Long-Term Liabilities	<u>13,489</u>	<u>-</u>	<u>-</u>	<u>950</u>	<u>-</u>	<u>-</u>	<u>14,439</u>
Total Liabilities	<u>538,575</u>	<u>-</u>	<u>-</u>	<u>94,485</u>	<u>64,156</u>	<u>(153,955)</u>	<u>543,261</u>
<u>Net Assets</u>							
Investment in Capital Assets	2,963,523	1,939,293	-	-	-	-	4,902,816
Restricted Net Assets	-	-	-	138,819	-	-	138,819
Unrestricted Net Assets	142,889	-	-	263,827	-	-	406,716
Total Net Assets	<u>3,106,412</u>	<u>1,939,293</u>	<u>-</u>	<u>402,646</u>	<u>-</u>	<u>-</u>	<u>5,448,351</u>
Total Liabilities and Net Assets	<u>\$ 3,644,987</u>	<u>\$ 1,939,293</u>	<u>\$ -</u>	<u>\$ 497,131</u>	<u>\$ 64,156</u>	<u>\$ (153,955)</u>	<u>\$ 5,991,612</u>

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>CFP Stimulus Program</u>	<u>Housing Choice Vouchers</u>	<u>Disaster Housing Assistance</u>	<u>Total</u>
<u>Operating Revenues</u>						
Dwelling Rent	\$ 411,572	\$ -	\$ -	\$ -	\$ -	\$ 411,572
Operating Grants	1,480,491	124,238	95,797	2,275,760	64,156	4,040,442
Other Income	71,093	-	-	1,393,863	-	1,464,956
Total Operating Revenues	1,963,156	124,238	95,797	3,669,623	64,156	5,916,970
<u>Operating Expenses</u>						
Administrative	481,896	-	18,198	93,850	-	593,944
Utilities	529,370	-	-	-	-	529,370
Maintenance and Operations	275,169	-	77,599	-	-	352,768
General Expense	462,026	-	-	7,664	-	469,690
Housing Assistance Payments	-	-	-	3,414,578	-	3,414,578
Depreciation	403,242	-	-	-	-	403,242
Total Operating Expenses	2,151,703	-	95,797	3,516,092	-	5,763,592
Operating Income (Loss)	(188,547)	124,238	-	153,531	64,156	153,378
<u>Non-Operating Revenues (Expenses)</u>						
Investment Income	221	-	-	826	-	1,047
Total Non-Operating Rev/(Exp)	221	-	-	826	-	1,047
Increase (Decrease) before Capital Contributions and Transfers	(188,326)	124,238	-	154,357	64,156	154,425
Operating Transfers In (Out)	124,238	(124,238)	-	-	-	-
Capital Contributions	-	495,834	-	-	-	495,834
Increase (Decrease) in Net Assets	(64,088)	495,834	-	154,357	64,156	650,259
Net Assets, Beginning	2,750,824	1,863,135	-	273,932	-	4,887,891
Equity Transfer	419,676	(419,676)	-	64,156	(64,156)	-
Prior Period Adjustment	-	-	-	(89,799)	-	(89,799)
Net Assets, Ending	\$ 3,106,412	\$ 1,939,293	\$ -	\$ 402,646	\$ -	\$ 5,448,351

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2012

EXPENDITURES

Low Rent Public Housing Expenditures	
Total CFDA Number 14.850a	<u>\$ 1,480,491</u>
Housing Choice Vouchers	
Total CFDA Number 14.871	<u>2,275,760</u>
Public Housing Capital Fund Program	
Total CFDA Number 14.872	<u>620,072</u>
Public Housing Capital Fund - Recovery Act Funded	
Total CFDA Number 14.885	<u>95,797</u>
Disaster Housing Assistance Payments Program	
Total CFDA Number 97.109	<u>64,156</u>
TOTAL HUD EXPENDITURES	<u>4,536,276</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 4,536,276</u>

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2012**

	LOW RENT 14.000s	CFP 14.072	CFP STIMULUS GRANT 14.085	SECTION 8 14.071	DEAP 57.109	REMARKS	TOTAL
ASSETS							
CURRENT ASSETS							
CASH							
111 CASE UNRESTRICTED	215,888	-	-	294,156	-	-	510,021
112 CASE RESTRICTED REHABILITATION AND DEV	-	-	-	-	-	-	-
113 CASE OTHER RESTRICTED	-	-	-	138,919	-	-	138,919
114 CASE TRUST SECURITY DEPOSIT	17,371	-	-	-	-	-	17,371
115 CASE RESTRICTED FOR FIRST CURRENT DEBT	-	-	-	-	-	-	-
100 TOTAL CASH	233,236	-	-	433,075	-	-	666,211
ACCOUNTS AND NOTES RECEIVABLE							
121 A/R - PMA PROJECTS	-	-	-	-	-	-	-
122 A/R - HUD PROJECTS	436,939	-	-	-	64,156	(89,799)	411,286
124 A/R - OTHER GOVT	-	-	-	-	-	-	-
125 A/R - HHS	-	-	-	-	-	-	-
126 A/R - TENANTS DUEING RENT	6,995	-	-	-	-	-	6,995
126.1 ALLOWANCE FOR D A - TENANTS	(1,339)	-	-	-	-	-	(1,339)
126.2 ALLOWANCE FOR D A - OTHER	-	-	-	-	-	-	-
127 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-
128 FRAND RECOVERY	-	-	-	-	-	-	-
129.1 ALLOWANCE FOR FRAND RECOVERY	-	-	-	-	-	-	-
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-
129 TOTAL RECEIVABLES NET OF ALLOW	442,395	-	-	-	64,156	(89,799)	416,752
CURRENT INVESTMENTS							
131 INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-
132 INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-
142 PREPAID INSURANCE	-	-	-	-	-	-	-
143 INVENTORIES - MATERIALS	7,777	-	-	-	-	-	7,777
143.1 ALLOWANCE FOR COMPLET INV	(1,944)	-	-	-	-	-	(1,944)
144 INTERPROGRAM DUE FROM	-	-	-	64,156	-	(64,156)	-
145 MONIES TO BE PROVIDED	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	681,464	-	-	497,131	64,156	(153,955)	1,088,786
NONCURRENT ASSETS							
FIXED ASSETS							
161 LAND	171,878	-	-	-	-	-	171,878
162 BUILDINGS	13,040,064	-	-	-	-	-	13,040,064
163 FURNITURE & EQUIPMENT - INTELLENCE	10,000	-	-	-	-	-	10,000
164 FURNITURE & EQUIPMENT - ADMINISRA	163,684	-	-	-	-	-	163,684
165 LEASEHOLD IMPROVEMENTS	1,351,121	-	-	-	-	-	1,351,121
167 CONSTRUCTION IN PROGRESS	-	1,539,293	-	-	-	-	1,539,293
166 ACCUMULATED DEPRECIATION	(11,779,021)	-	-	-	-	-	(11,779,021)
169 TOTAL FIXED ASSETS, NET OF DEPR	2,963,323	1,539,293	-	-	-	-	4,902,616
171 NOTES & MORTGAGES RECEIVABLE - M/C	-	-	-	-	-	-	-
172 NOTES & MORTGAGES RECEIVABLE - SO	-	-	-	-	-	-	-
174 OTHER ASSETS	-	-	-	-	-	-	-
176 INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	2,963,323	1,539,293	-	-	-	-	4,902,616
TOTAL ASSETS	3,644,987	1,539,293	-	497,131	64,156	(153,955)	5,981,612
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
311 BANK OVERDRAFT	-	-	-	-	-	-	-
312 A/P < 90 DAYS	68,131	-	-	-	-	-	68,131
313 A/P > 90 DAYS	349,208	-	-	-	-	-	349,208
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	28,621	-	-	2,787	-	-	28,400
322 ACCRUED COMPENSATED ABSENCES	12,489	-	-	949	-	-	14,439
324 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-
325 ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-
331 ACCOUNTS PAYABLE - HUD PMA PROGRAMS	-	-	-	89,799	-	(89,799)	-
332 ACCOUNTS PAYABLE - PMA PROJECTS	-	-	-	-	-	-	-
333 ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-	-	-
341 TENANT SECURITY DEPOSIT	17,371	-	-	-	-	-	17,371
342 DEFERRED REVENUES	469	-	-	-	-	-	469
343 CURRENT PORTION OF LT DEBT CAPITAL	-	-	-	-	-	-	-
344 CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-
345 OTHER CURRENT LIABILITIES	-	-	-	-	-	-	-
346 ACCRUED LIABILITIES - OTHER	23,797	-	-	-	-	-	23,797
347 INTERPROGRAM DUE TO	-	-	-	-	64,156	(64,156)	-
310 TOTAL CURRENT LIABILITIES	525,066	-	-	93,535	64,156	(153,955)	528,922
NONCURRENT LIABILITIES							
351 LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-
352 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-
354 LONG TERM PORTION OF COMPENSATED ABSENC	13,489	-	-	950	-	-	14,439
353 NONCURRENT LIABILITIES OTHER	-	-	-	-	-	-	-
360 TOTAL NONCURRENT LIABILITIES	13,489	-	-	950	-	-	14,439
TOTAL LIABILITIES	538,555	-	-	94,485	64,156	(153,955)	543,261
EQUITY							
501 INVESTMENT IN GENERAL FIXED ASSETS	-	-	-	-	-	-	-

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2012**

	LOW RENT 14.850a	CYP 14.872	CYP STIMULUS GRANT 14.885	SECTION 8 14.871	DHAP 87.109	ELIMINATIONS	TOTAL
CONTRIBUTED CAPITAL	-	-	-	-	-	-	-
502 PROJECT NOTES (HUD)	-	-	-	-	-	-	-
503 LONG TERM DEBT - HUD GUARANTEE	-	-	-	-	-	-	-
504 NET HUD FHA CONTRIBUTIONS	-	-	-	-	-	-	-
505 OTHER HUD CONTRIBUTIONS	-	-	-	-	-	-	-
507 OTHER CONTRIBUTIONS	-	-	-	-	-	-	-
508 TOTAL CONTRIBUTED CAPITAL	-	-	-	-	-	-	-
508.1 INVESTMENT IN CAPITAL ASSETS	2,982,823	1,939,293	-	-	-	-	4,922,116
RESERVED FUND BALANCE	-	-	-	-	-	-	-
509 RESERVED FOR OPERATING ACTIVITIES	-	-	-	-	-	-	-
510 RESERVED FOR CAPITAL ACTIVITIES	-	-	-	-	-	-	-
511 TOTAL RESERVED BALANCE	-	-	-	-	-	-	-
511.1 RESTRICTED NET ASSETS	-	-	-	138,619	-	-	138,619
512 UNRESTRICTED FUND BALANCE/A/S	-	-	-	-	-	-	-
512.1 UNRESTRICTED NET ASSETS	142,889	-	-	263,827	-	-	406,716
513 TOTAL EQUITY	3,125,712	1,939,293	-	402,446	-	-	5,467,451
500 TOTAL LIABILITIES AND EQUITY	3,644,907	1,939,293	-	497,131	64,156	(183,955)	5,891,612
REVENUE	-	-	-	-	-	-	-
702 NET TENANT RENTAL REVENUE	389,728	-	-	-	-	-	389,728
704 TENANT REVENUE - OTHER	21,844	-	-	-	-	-	21,844
705 TOTAL TENANT REVENUE	411,572	-	-	-	-	-	411,572
706 HUD FHA GRANTS	1,480,491	124,238	98,797	2,275,780	64,156	-	4,044,442
706.1 CAPITAL GRANTS RECEIVED	-	495,834	-	-	-	-	495,834
708 OTHER GOVT GRANTS	-	-	-	-	-	-	-
710 SEC 8 INCOME	-	-	-	-	-	-	-
711 INVESTMENT INCOME - UNRESTRICTED	821	-	-	186	-	-	377
712 MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-
714 FRAUD RECOVERY	-	-	-	-	-	-	-
715 OTHER REVENUE	71,093	-	-	1,393,849	-	-	1,464,942
716 GAIN OR LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-	-	-
720 INVESTMENT INCOME - RESTRICTED	-	-	-	870	-	-	870
700 TOTAL REVENUE	1,863,377	620,072	98,797	3,670,449	64,156	-	6,413,851
EXPENSES	-	-	-	-	-	-	-
ADMINISTRATIVE	-	-	-	-	-	-	-
911 ADMINISTRATIVE SALARIES	257,443	-	-	31,956	-	-	289,399
912 AUDITED FEE	53,500	-	-	-	-	-	53,500
913 OUTSIDE MANAGEMENT FEE	-	-	-	-	-	-	-
914 ADVERTISING & MARKETING	-	-	-	-	-	-	-
916 EMPLOYEE BENEFIT CONTRIBUTION	85,374	-	-	8,421	-	-	93,795
918 OFFICE EXPENSES	33,082	-	-	-	-	-	33,082
917 LEGAL EXPENSES	40,758	-	-	-	-	-	40,758
919 TRAVEL	1,771	-	-	-	-	-	1,771
919.1 ALLOCATED OVERHEAD	-	-	-	48,906	-	-	48,906
919 OTHER	78,278	-	18,198	4,287	-	-	100,243
TENANT SERVICES	-	-	-	-	-	-	-
921 TENANT SERVICES SALARIES	-	-	-	-	-	-	-
923 RELOCATION COSTS	-	-	-	-	-	-	-
922 EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-	-	-	-
924 TENANT SERVICES OTHER	-	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-	-
931 WATER	409,478	-	-	-	-	-	409,478
932 ELECTRICITY	29,613	-	-	-	-	-	29,613
933 GAS	89,619	-	-	-	-	-	89,619
934 FUEL	653	-	-	-	-	-	653
935 LABOR	-	-	-	-	-	-	-
936 SEWER	-	-	-	-	-	-	-
937 EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-	-
938 OTHER UTILITIES	-	-	-	-	-	-	-
ORDINARY MAINTENANCE & OPERATION	-	-	-	-	-	-	-
941 ORDINARY MAINT AND OP LABOR	162,849	-	-	-	-	-	162,849
942 ORDINARY MAINTENANCE AND OP MATERIALS	53,701	-	77,898	-	-	-	131,600
943 ORDINARY MAINTENANCE AND OP CONTRACT	4,846	-	-	-	-	-	4,846
945 EMPLOYEE BENEFIT CONTRIBUTION	53,679	-	-	-	-	-	53,679
PROTECTIVE SERVICES	-	-	-	-	-	-	-
951 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-
952 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	72	-	-	-	-	-	72
953 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-
955 EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-	-
GENERAL EXPENSES	-	-	-	-	-	-	-
961 INSURANCE PREMIUM	429,465	-	-	-	-	-	429,465
962 OTHER GENERAL EXPENSES	89	-	-	5,765	-	-	5,854
962.1 COMMERCIALIZED AGREEMENTS	5,328	-	-	1,999	-	-	7,327
963 PAYMENTS IN LIEU OF TAXES	-	-	-	-	-	-	-
964 BAD DEBT - TENANT	27,073	-	-	-	-	-	27,073
965 BAD DEBT - MORTGAGES	-	-	-	-	-	-	-
966 BAD DEBT - OTHER	-	-	-	-	-	-	-
967 INVENTORY EXPENSES	-	-	-	-	-	-	-
968 BEVERAGE EXPENSES	-	-	-	-	-	-	-
969 TOTAL OPERATING EXPENSES	1,740,461	-	98,797	101,614	-	-	1,940,872
970 EXCESS OPERATING REVENUE OVER OP EXP	214,916	620,072	-	9,668,535	64,156	-	4,468,079

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2012

	LOW RENT 14.850a	CFP 14.872	CFP STIMULUS GRANT 14.885	SECTION 8 14.871	DEAF 97.108	ELIMINATIONS	TOTAL
971	EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-
972	CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	-
973	RAP	-	-	2,067,682	-	-	2,067,682
973.5	RAP - PORTABILITY IN	-	-	1,346,695	-	-	1,346,695
974	DEPRECIATION EXPENSE	403,242	-	-	-	-	403,242
975	STANDARD LOSSES	-	-	-	-	-	-
976	CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-
977	DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-
978	DWELLING UNIT RENT EXPENSE	-	-	-	-	-	-
980	TOTAL EXPENSES	2,381,703	-	95,797	3,816,092	-	5,763,592
1001	Operating Transfers In	124,238	-	-	-	-	124,238
1002	Operating Transfers Out	-	(124,238)	-	-	-	(124,238)
1003	Operating Transfers to/from Primary Government	-	-	-	-	-	-
1010	Total Other Financing Sources (Uses)	124,238	(124,238)	-	-	-	-
1000	EXCESS REVENUE OVER EXPENSES	(64,088)	485,834	-	154,357	66,155	650,258
1103	BEGINNING EQUITY	2,750,824	1,862,135	-	273,932	-	4,887,891
1104	EQUITY TRANSFERS	419,678	(419,678)	-	64,156	(64,156)	-
1104	PROR PERIOD ADJUSTMENTS	-	-	-	(89,789)	-	(89,789)
	ENDING EQUITY	3,169,412	1,839,293	-	402,648	-	5,411,353
11100	UNIT MONIES AVAILABLE	3,614	-	-	3,120	-	6,734
11210	\$ UNIT MONIES ISSUED	2,851	-	-	3,508	-	6,359
11170	ADMINISTRATIVE FEE EQUITY	-	-	-	263,827	-	263,827
11100	HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	-	136,818	-	136,818
11610	LAND PURCHASES	-	-	-	-	-	-
11620	BUILDING PURCHASES	-	495,834	-	-	-	495,834
11630	FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	-	-	-	-	-
11640	FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCHASES	-	-	-	-	-	-
11650	IMPROVEMENTS PURCHASES	-	-	-	-	-	-
11660	IMPROVEMENTS PURCHASES	-	-	-	-	-	-
13510	OFFICE SERVICE PAYMENTS	-	-	-	-	-	-
13901	REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unqualified	
Internal Control over financial reporting:		
Are material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are significant deficiencies that are not considered to be material weaknesses identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
Is noncompliance that could have a material effect on the financial statements identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

FEDERAL AWARDS

Internal control over major programs:		
Are material weaknesses identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are significant deficiencies that are not considered to be material weaknesses identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
Type of report issued on compliance with requirements applicable to each major program:		

All Major Programs:	Qualified
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Are there any audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Low Rent Public Housing	14.850
Section 8 Housing Choice Voucher	14.871
Public Housing Capital Fund Program	14.872
Public Housing Capital Fund Program – Recovery Act Funded	14.885

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Is the auditee identified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section II: Financial Statement Findings:

Prior Year Findings and Questioned Costs:

Finding 2011-01 Internal Control

Condition & Cause:

Forty Public Housing disbursements were selected for review during the audit. Of the forty sample items selected, the Authority was unable to provide back-up documentation for ten of the requested items.

Current Year Status:

The Authority was able to provide all requested disbursements and necessary support during the fiscal year 2012 audit. This Finding is not re-stated.

Finding 2011-02 Failure to Comply with State Bid Law

Condition & Cause:

The Housing Authority is required to retain records for public bids for a minimum of six (6) years following the purchase or completion of work, in accordance with Louisiana Revised statute 38:2212. Documentation such as requests for bids and bid proposals submitted are not being kept.

Current Year Status:

The Authority appears to be maintaining all applicable procurement records. This finding is cleared.

Current Year Findings and Questioned Costs:

Finding 2012-01 – Timely Completion and Submission of Annual Audit

Criteria:

The Authority is required to submit audited financial statements to the Louisiana Legislative Auditor's Office within six months of its fiscal year end.

Condition:

The Authority failed to submit audited financial statements to the Louisiana Legislative Auditor's Office within a timely manner.

Effect: Non-compliance with HUD regulations

Cause: Insufficient control environment

Questioned Cost: None identified

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section II: Financial Statement Findings - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-01 – Timely Completion and Submission of Annual Audit - continued

Recommendation:

We recommend that the Authority review procedures in order to ensure the timely completion and submission of its annual audit report to the Louisiana Legislative Auditor's Office.

Response:

The Authority will review procedures involving the timely completion of financial records and submitting of audit reports. Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs:

Finding 2011-01 Internal Control

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011;
Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2011; Capital
Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011; American
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September
30, 2011

See Finding 2011-01 under Section II of this Schedule.

Finding 2011-03 Failure to Perform Background Checks on Tenants

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011;
Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2011

Condition & Cause:

Of the fifteen Public Housing tenant files that were selected for audit, thirteen background checks were unavailable. Of the fifteen Housing Choice Voucher tenant files that were selected for audit, five background checks were unavailable.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-02.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Prior Year Findings and Questioned Costs - continued:

Finding 2011-04 – Calculation of Portability Administrative Fees

Housing Choice Voucher Program – CFDA No. 14.871; Grant period – year ended September 30, 2011

Condition & Cause:

Per the *Federal Register* 24 CFR part 982.355, the Housing Authority should bill the initial public housing authority an administrative fee in addition to the housing assistance payment when a tenant moves to another area ("ports"). The administrative fee, determined by HUD, is based on the Housing Authority's fair market rental rates and changes frequently. Due to the lack of documentation it is not possible to determine if the administrative fees are being updated with changes per HUD or if the administrative fees are complete and accurate.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-10.

Finding 2011-05 Housing Choice Voucher HQS Inspections

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2011

Condition & Cause:

Of the fifteen Housing Choice Voucher tenant files that were selected for audit, six files did not contain evidence that an annual inspection was performed. It was noted that the Housing Authority does not keep a log of failed inspections. This includes retaining copies of letters sent to tenants and landlords in the tenant's file.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-03.

Finding 2011-06 – Housing Assistance Payments Contract

Housing Choice Voucher Program – CFDA No. 14.871; Grant period – year ended September 30, 2011

Condition & Cause:

Per the *Federal Register* 24 CFR part 982.151, all landlords must sign a Housing Assistance Payments contract, HUD Form 52641. Not having a signed contract with the landlord could void the rental assistance coming from HUD. Of the 15 files tested, six contracts were missing.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-04.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Prior Year Findings and Questioned Costs - continued:

Finding 2011-07 Housing Choice Voucher Tenant Files

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2011

Condition & Cause:

The results of a review of Housing Choice Voucher tenant files are as follows:

1. Of the 15 tenant files reviewed, 5 were missing verification of tenant eligibility.
2. Of the 15 tenant files reviewed, 6 were missing the utility allowance calculation.
3. Of the 15 tenant files reviewed, 15 did not have proof of rent reasonableness.
4. Of the 15 tenant files reviewed, 10 were missing approved leases, HUD Form 52517.
5. Of the 15 tenant files reviewed, 6 did not have signed valid contracts HUD Form 52641, between the tenants and the landlords.
6. Of the 15 tenant files reviewed, 10 did not have re-examinations of income.
7. Of the 15 tenant files reviewed, 9 were missing a HUD Form 50058.
8. Of the 15 tenant files reviewed, 6 were missing annual inspection reports.
9. Of the 15 tenant files reviewed, 1 was missing a social security card.
10. Of the 15 tenant files reviewed, 1 was missing a birth certificate or state issued I.D.
11. Of the 15 tenant files reviewed, 8 did not have an updated, signed release of information form.
12. Of the 15 tenant files reviewed, 12 were missing third party verifications of income.
13. Of the 15 tenant files reviewed, 4 were missing signed lead based paint disclosures.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-05.

Finding 2011-08 – Miscalculation of Housing Assistance Payments

Housing Choice Voucher Program – CFDA No. 14.871; Grant period – year ended September 30, 2011

Condition & Cause:

Of the fifteen files tested for the HCV program, seven files did not contain a current calculation of a HAP; therefore the calculation of payments could not be tested.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-06.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Prior Year Findings and Questioned Costs - continued:

Finding 2011-09 – HUD Report 60002

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011;
Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011; American
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September
30, 2011

Condition & Cause:

Each grant that is involved in development, operating or modernization assistance is required to submit HUD Form 60002, Section 3 Summary Report.

Current Year Status:

The Authority was able to provide necessary support to clear this finding therefore this finding is cleared.

Finding 2011-10 Tenant File Maintenance

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011

Condition & Cause:

The results of a review of Public Housing tenant files are as follows:

1. Of the 15 tenant files reviewed, 8 were missing initial applications.
2. Of the 15 tenant files reviewed, 13 were missing landlord verification forms.
3. Of the 15 tenant files reviewed, 13 were missing community service requirement forms.
4. Of the 15 tenant files reviewed, 10 were missing approved leases, HUD Form 52517.
5. Of the 15 tenant files reviewed, 11 did not have re-examinations of income.
6. Of the 15 tenant files reviewed, 10 rent receipts did not match the lease.
7. Of the 15 tenant files reviewed, 6 were missing a HUD Form 50058.
8. Of the 15 tenant files reviewed, 11 were missing annual inspection reports.
9. Of the 15 tenant files reviewed, 3 did not have an updated, signed release of information form.
10. Of the 15 tenant files reviewed, 12 were missing third party verifications of income.
11. Of the 15 tenant files reviewed, 4 were missing signed lead based paint disclosures.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-07.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Prior Year Findings and Questioned Costs - continued:

Finding 2011-11 Equipment and Real Property Management

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011;
Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011; American
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September
30, 2011

Condition & Cause:

We were unable to locate equipment records which complied with HUD regulations. In addition, we were unable to verify that a physical inventory of equipment was performed.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-08.

Finding 2011-12 – Declaration of Trust Unavailable

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011

Condition & Cause:

During the audit, a copy of the Trust was requested by the auditors, but the Authority was not able to produce a copy of the Trust.

Current Year Status:

The Authority was able to provide necessary support to clear this finding therefore this finding is cleared.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Prior Year Findings and Questioned Costs - continued:

Finding 2011-13 Davis-Bacon Act

Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011; American Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September 30, 2011

Condition & Cause:

During the period under audit the Authority had ongoing construction projects under the Capital Fund Program and the Capital Fund Stimulus Act. The Authority was not able to provide documentation of certified payrolls from the contractors performing this work, which is required by the Davis-Bacon Act.

Current Year Status:

The Authority was able to provide necessary support to clear this finding therefore this finding is cleared.

Finding 2011-14 SEMAP Certification

Housing Choice Vouchers – CFDA No. 14871; Grant period – year ended September 30, 2011

Condition & Cause:

During the current year, the SEMAP Certification was tested for validity. The auditor found instances where the backup documentation did not match the data submitted to HUD on the certification.

Current Year Status:

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 2012-09.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Prior Year Findings and Questioned Costs - continued:

Finding 2011-15 – Timely Completion and Submission of Annual Audit

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011;
Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2011; Capital
Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011; American
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September
30, 2011

Condition & Cause:

The Authority failed to make available financial records to the auditors in a timely manner in order to meet the federal and state audit filing deadline requirements.

Current Year Status:

The Authority did not submit its audited financial statements to the Louisiana Legislative Auditor's Office by the state audit filing deadline. Therefore, this Finding with respect to the state audit filing requirements is re-stated as Finding 2012-01 under Section II of this Schedule.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs:

Finding 2012-02 Failure To Perform Background Checks on Tenants

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2012;
Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

Criteria:

The Housing Authority is required to complete a background check on all household members over the age of 18 who will be assisted under any HUD program.

Condition:

Of the twenty-three Public Housing tenant files that were selected for audit, twenty-three background checks were unavailable. Of the twenty-one Housing Choice Voucher tenant files that were selected for audit, twenty-one background checks were unavailable. This Finding is repeated from the prior year. See Finding 2011-03.

Effect: Non-compliance with HUD regulations

Cause: Insufficient internal control procedures

Questioned Cost: None identified

Recommendation:

We recommend that the Authority complete background checks as required in a consistent manner and on a timely basis.

Response:

The Housing Authority will ensure that complete background checks will be provided on a timely basis. The Authority's Executive Director will assume the responsibility of reviewing the applicant's completed background checks and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2012

Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-03 Housing Choice Voucher HQS Inspections

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

Criteria:

Per the *Federal Register* 24 CFR part 982.405, inspections on tenant units must be done at least annually. Not completing inspections on a timely basis could result in unsafe living conditions to exist in dwelling units.

Condition and Question Costs:

Of the twenty-one Housing Choice Voucher tenant files that were selected for audit, three files did not contain any documentation of an inspection being performed during the audit period. There was one initial failed HQS inspection that was not re-inspected within the 30 day requirement. Housing assistance payments should have been abated, but were not. Housing assistance payments in the amount of \$3,538 were not abated. It was noted that the Housing Authority does not keep a log of failed inspections. This includes retaining copies of letters sent to tenants and landlords in the tenant's file. This Finding is repeated from the prior year. See Finding 2011-05.

Effect: Non-compliance with HUD regulations

Cause: Insufficient internal control procedures

Recommendation:

We recommend that the Authority perform and document inspections annually during the tenant's recertification process. The Housing Authority should also begin tracking all failed inspections and document communication attempts with landlords and tenants in the tenant's file. The Housing Authority should also maintain signed contracts with all landlords.

Response:

The Housing Authority is now performing annual HQS inspections concurrent with the tenant's recertification process, using the current HUD approved inspection report. All failed inspections are being entered into a separate log and monitored to ensure that the dwelling unit meets HQS compliance. A copy of written correspondence with the tenant and landlord is placed in respective files and in the failed unit log. Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-04 Housing Assistance Payments Contracts

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

Criteria:

Federal Register 24 CFR part 982.308 requires the tenant and owner to enter a written lease, HUD Form 52641. The lease must be executed by the owner and the tenant. The Housing Authority should include a copy of the written lease in the participant's file to demonstrate compliance. Not having a signed contract with the landlord could void the rental assistance coming from HUD.

Condition:

Of the fifteen Housing Choice Voucher tenant files that were selected for audit, five were missing Housing Assistance Payment Contracts, HUD Form 52641. This Finding is repeated from the prior year. See Finding 2011-06.

Effect: Non-compliance with HUD regulations

Cause: Insufficient internal control procedures

Questioned Cost: None identified

Recommendation:

We recommend that the Authority maintain signed contracts with all landlords and update them as required by HUD.

Response:

The Authority has revised its Section 8 tenant file folders to include current leases and leases signed within the past two years. The Authority will also provide file documentation and maintenance training to its Section 8 employees. The Authority's Executive Director has assumed the responsibility of implementing the instruction and training, and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-05 Housing Choice Voucher Tenant Files

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

Criteria:

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Housing Choice Voucher program.

Condition:

The results of a review of Housing Choice Voucher tenant files are as follows:

1. Of the 21 tenant files reviewed, 5 were missing verification of tenant eligibility.
2. Of the 21 tenant files reviewed, 5 had no determination of gross rent.
3. Of the 21 tenant files reviewed, 6 did not have proof of rent reasonableness.
4. Of the 21 tenant files reviewed, 5 were missing approved leases, HUD Form 52517.
5. Of the 21 tenant files reviewed, 5 did not have signed valid contracts HUD Form 52641, between the tenants and the landlords.
6. Of the 21 tenant files reviewed, 5 did not have re-examinations of income.
7. Of the 21 tenant files reviewed, 5 were missing a HUD Form 50058.
8. Of the 21 tenant files reviewed, 4 were missing annual inspection reports.
9. Of the 21 tenant files reviewed, 5 did not have an updated, signed release of information form.
10. Of the 21 tenant files reviewed, 6 were missing third party verifications of income.

This Finding is repeated from the prior year. See Finding 2011-07.

Effect: Non-compliance with HUD regulations

Cause: Insufficient internal control procedures

Questioned Cost: None identified

Recommendation:

We recommend that the Authority utilize a standard filing system based upon a checklist and issue this to all required personnel. We recommend that supervisors and managers review, on a regular monthly basis, a random sample of all files to determine compliance with federal guidelines.

Response:

The Authority will review its procedures for the preparation and maintenance of tenant files and, where necessary, procedures will be changed. Additional training and instruction will be provided to appropriate personnel and a process for management review will be instituted. The Authority's Executive Director has assumed the responsibility of implementing the review process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-06 Miscalculation of Housing Assistance Payments

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

Criteria:

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Housing Choice Voucher program.

Condition:

Of the twenty-one files tested for the HCV program, five files did not contain a current calculation of a HAP; therefore the calculation of payments could not be tested. This Finding is repeated from the prior year. See Finding 2011-08.

Effect: Non-compliance with HUD regulations

Cause: Insufficient internal control procedures

Questioned Cost: None identified

Recommendation:

We recommend that the Housing Authority implement and execute strengthened controls over the HAP calculation and documentation process to include standard supervisory sign-offs, quality control reviews and staff training.

Response:

The Housing Authority will assess its staff and consider restructuring and make requests to the State Civil Service Department to acquire additional positions. Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-07 Tenant File Maintenance

Public Housing Low Rent – CFDA No. 14.850a: Grant period – year ended September 30, 2012

Criteria:

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Public Housing Program.

Condition:

The results of a review of Public Housing tenant files are as follows:

1. Of the 23 tenant files reviewed, 6 were missing initial applications.
2. Of the 23 tenant files reviewed, 9 were missing landlord verification forms.
3. Of the 23 tenant files reviewed, 23 were missing community service requirement forms.
4. Of the 23 tenant files reviewed, 7 did not have re-examinations of income.
5. Of the 23 tenant files reviewed, 8 rent receipts did not match the lease.
6. Of the 23 tenant files reviewed, 8 were missing a HUD Form 50058.
7. Of the 23 tenant files reviewed, 20 were missing annual inspection reports.
8. Of the 23 tenant files reviewed, 9 did not have an updated, signed release of information form.
9. Of the 23 tenant files reviewed, 11 were missing third party verifications of income.
10. Of the 23 tenant files reviewed, 15 were missing signed lead based paint disclosures.
11. Of the 23 tenant files reviewed, 3 were missing birth certificates or state issued identification.

This Finding is repeated from the prior year. See Finding 2011-10.

Effect: Non-compliance with HUD regulations

Cause: Insufficient internal control procedures

Questioned Cost: None identified

Recommendation:

We recommend that the Authority utilize a standard filing system based upon a checklist and issue this to all required personnel. We recommend that supervisors and managers review, on a regular monthly basis, a random sample of all files to determine compliance with federal guidelines and the Authority's policy.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-07 Tenant File Maintenance - continued

Response:

The Authority will review its procedures for the preparation and maintenance of tenant files, and where necessary, procedures will be changed. Additional training and instruction will be provided to appropriate personnel and a process for management review will be instituted. The Authority's Executive Director has assumed the responsibility of implementing the review process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

Finding 2012-08 Equipment and Real Property Management

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2012;
Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2012; American
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September
30, 2012

Criteria:

Equipment records should include a description of the equipment, including serial number, source and acquisition date. Existence of equipment should be verified on a periodic basis by performance of a physical inventory of equipment. A record of the physical inventory of equipment should be maintained on file (Low Rent Housing Accounting Guide, HM G 7511.1, Chapter 9, Section 2, Paragraph 11).

Condition:

We were unable to locate equipment records which complied with HUD regulations. In addition, we were unable to verify that a physical inventory of equipment was performed. See Finding 2011-11.

Effect: Non-compliance with HUD regulations

Cause: Insufficient control environment

Questioned Cost: None identified

Recommendation:

We recommend that the Authority establish processes and procedures to ensure that equipment records are maintained in accordance with HUD regulations. Additionally, we recommend that periodic inventories of equipment are performed and records of the inventories are maintained on file.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-08 Equipment and Real Property Management - continued

Response:

The Authority has established procedures to ensure that equipment records are maintained in accordance with HUD regulations. The Authority will perform a periodic inventory of equipment and will maintain records of inventory results. The Finance Director will adjust accounting records to reflect the actual equipment inventory. The Authority's Executive Director has assumed the responsibility of executing the physical inventory and record retention process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

Finding 2012-09 – SEMAP Certification

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

Criteria:

The Code of Federal Regulations and HUD guidelines give the requirements related to the Section Eight Management Assessment Program (SEMAP) for Public Housing Agencies. Specifically, 24CFR Part 985 gives the requirements in relation to the SEMAP certification. SEMAP is used to remotely measure the Authority's performance and administration of the Housing Choice Vouchers program.

Condition:

During the current year audit, the SEMAP Certification and supporting documentation was requested for audit. The auditor was unable to provide supporting documentation for all the indicators requested. Additionally, for certain indicators for which supporting documentation was provided, the auditor found instances where the backup documentation did not match the data submitted to HUD on the certification. See Finding 2011-14.

Effect: Non-compliance with HUD regulations

Cause: Failure to follow HUD regulations

Questioned Cost: None identified

Recommendation:

We recommend the Authority strengthen their internal control procedures relating to the SEMAP Certification in order to provide accurate information to HUD.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012 - 09 – SEMAP Certification- continued

Reply:

The Authority's Executive Director has assumed the responsibility of implementing and executing strengthened controls over federal Reporting requirements and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

Finding 2012-10 Calculation of Portability Administrative Fees

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

Criteria:

Per *Federal Register* 24 CFR part 982.355, the Housing Authority should bill the initial public housing authority an administrative fee in addition to the housing assistance payment when a tenant moves to another area ("ports"). The administrative fee, determined by HUD, is based on the Housing Authority's fair market rental rates and changes frequently.

Condition:

Due to the lack of documentation it is not possible to determine if the administrative fees are being updated with changes per HUD or if the administrative fees are complete and accurate. This Finding is repeated from the prior year. See Finding 2011-04.

Effect: Non-compliance with HUD regulations

Cause: Insufficient control environment

Questioned Cost: None identified

Recommendation:

We recommend that the Authority maintains documentation for Portability Fees and the related HAP payments. There should also be a reconciliation to reflect updated administrative fees in accordance with HUD guidelines.

Response:

The Housing Authority is recalculating the Administrative fees for ports for fiscal year 2011-2012. Trina Henderson, Executive Director, will ensure the changes in Fair Market Rents and Administrative Fees are current and are reconciled to ensure the "Rents & Fees" billed are in compliance. Trina Henderson expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-11 – Environmental Review Compliance Requirement

Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2012
American Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period September 30, 2012

Criteria:

An environmental review must be completed for any project or activities (including those projects or activities funded by ARRA) before a recipient may acquire, rehabilitate, convert, lease, repair or construct property, or commit HUD or local funds. Environmental review procedures for entities who are assuming HUD's environmental responsibilities are contained in 24 CFR, part 58. An environmental assessment must be prepared for an activity unless the recipient determines that the activity met a criterion specified in the regulations that would exempt or exclude it from Request for Release of Funds (RROF) and environmental certification requirements (24 CFR sections 58.34 and 58.35). If the responsible entity determines that a project or activity is exempt, it must document in writing its determination for the exemption demonstrating how the conditions specified for exemption are met. Neither a recipient nor any participant in the project, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance until HUD has approved the recipient's RROF and the related certification from the responsible entity (24 CFR, section 58.22).

Condition:

During audit fieldwork, the Capital Fund and Capital Fund – Recovery Act programs were audited for compliance with the requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*. As part of the audit, auditors requested environmental reviews for each of the aforementioned federal programs. Authority management was unable to provide the reports upon request.

Effect: Non-compliance with HUD regulations

Cause: Insufficient control environment

Questioned Cost: None identified

Recommendation:

We recommend the Authority complete the required environmental reviews as required by HUD, and maintain the reports and supporting documentation for audit.

Response:

Trina Henderson, Executive Director, is taking steps to ensure that the Authority will complete and submit the required reports and will have any needed environmental review reports completed by the end of fiscal year 2013.

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Section III: Federal Award Findings and Questioned Costs - continued:

Current Year Findings and Questioned Costs - continued:

Finding 2012-12 - Public Housing Waiting List

Department of Housing and Urban Development Public and Indian Housing – CFDA 14.850a: Grant period – year ended September 30, 2012

Condition:

A sample of eight applicants who were housed during the fiscal year was requested for audit. Of the eight applicants selected, three were housed before other applicants who had applied before them. The Authority staff was unable to provide an explanation when asked why the applicants were housed prior to applicants who had applied before them.

Criteria:

24 CFR Part 960.206 and 960.208 provides the compliance requirements for administration of the Public Housing Waiting List.

Effect: Non-compliance with HUD regulations

Cause: Insufficient internal control procedures

Questioned Cost: None identified

Recommendation:

We recommend that the Authority create procedures to strengthen their control systems in relation to their Public Housing Waiting List.

Response:

The Authority will review its procedures over program admittance and will provide additional training and instruction to the appropriate personnel. The Authority's Executive Director has assumed the responsibility of implementing the review process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.